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CENTRAL INTELLIGENCE AGENCY

# INFORMATION REPORT

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1. Foreign trade agreements concluded with various countries were largely instrumental in providing the country with foreign manufactured goods and raw materials for the industry of the country.
2. Rumania was the first country with which an agreement for exchange of goods was concluded after the liberation. The trade agreement, signed on 13 April 1946, has recently expired but will be extended in June. Under the terms of the agreement Rumania shipped miscellaneous items of wood, grease, caustic soda, ammonia soda, products distilled from wood, salt, and gypsum. In return Hungary shipped various types of machines, tractors, aluminum and copper manufactured goods, incandescent lamps and drugs.
3. In the summer of 1945 a trade agreement was signed with the Soviet Union making possible the development of Hungarian industrial production. Hungary's textile mills have almost reached the peacetime level of cotton consumption as a result of Soviet contract construction work. The heavy industries have also been able to obtain those raw materials which enabled it to meet its obligations in connection with reparations and new construction. Negotiations are now going on in Moscow for renewal of the Hungarian-Soviet trade agreement.
4. An agreement was likewise entered into with Czechoslovakia in 1945, but it has since expired. At present, compensation is on an individual basis. A new Hungarian-Czechoslovak trade agreement will probably be signed during this summer. In exchange for crude oil and various agricultural items, Czechoslovakia ships large quantities of coke, iron ore, cellulose and various items of wood.

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6. A very important trade agreement was signed with Poland on 28 June 1946. The volume of both exports and imports is set at five and a half million dollars. The most important imports from Poland are coal and coke. Hungary in turn ships Poland principally mineral products (crude oil, bauxite), in addition to various kinds of chemical, electrical and mechanical equipment. A new Polish delegation will arrive in Budapest in the middle of June with regard to signing a new agreement.

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12. One of the most important foreign trade agreements was signed with Yugoslavia at Belgrade near the end of last year. From a trade policy point of view this is an ideal agreement because Hungary will get mostly raw materials (iron ore, copper, pyrite and varieties of timber) in exchange for manufactured goods. The Hungarian-Yugoslav trade agreement will be made a part of the five year treaty of cooperation, which will bring even greater economic cooperation between the countries.

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